

CHANNEL SHARING AGREEMENT
Term Sheet

Parties: Minority Television Project Inc. (MTP or Sharee),
licensee of KMTP(TV), San Francisco (Sharee Station)

Poquito Mas Communications LLC (PMC or Host)
licensee of KCNZ-CD, San Francisco (Host Station)

Market: San Francisco DMA

Undertaking: PMC holds the television spectrum usage rights associated with its
6 MHz channel assigned to the San Francisco market including its primary
and all multicast streams pursuant to licenses issued by the FCC:

MTP holds the television spectrum usage rights associated with its
6 MHz channel including its primary and all multicast streams, pursuant to
licenses issued by the FCC:

In accordance with the FCC Channel Sharing Rules arising out of the FCC
Incentive Auction, under Section 6403 of the Middle-Class Tax Relief and
Job Creation Act, MTP wishes to share the channel capacity of KCNZ by
purchasing spectrum rights on KCNZ (CSA).

The purpose and nature of each party's transmission on its allocated
portion of the Shared Channel shall be limited to (i) the transmission of
broadcast television programming and matters reasonably related thereto,
including multicasting, or (ii) any other spectrum usage that is in
accordance with its applicable FCC licenses and the Communications
Laws.

Bandwidth: Sharee station would utilize an average of one and a half (1.5) megabits
per second of the 6 MHz Channel (using statistical multiplexing or
STATMUX) which may be modified from time to time by mutual written
agreement of the parties. Sharee station shall have the right to multicast
signals or enter into a third-party arrangement using its allocated capacity
on the Shared Station, in all cases consistent with the FCC's rules for
noncommercial licensees. The parties shall meet and confer periodically as
to allocation of bandwidth.

To the extent MTP shares in the cost of an upgrade of the shared facilities
to ATSC 3.0, Host Station and Sharee Station shall cooperate in good faith
to allocate the available bandwidth in proportion to the distribution of
bandwidth prior to the ATSC 3.0 conversion. The Shared Channel shall
utilize a single, redundant common encoding pool and each party shall

Upgrade”), provided that (i) Sharee shall pay a pro rata share of the cost of such Facility Upgrade consistent with Sharee Station’s percentage of the total available bandwidth on the Shared Channel; (ii) if Host uses a separately licensed station to extend coverage over San Jose, Host and Sharee shall negotiate in good faith to enter into a multicast channel lease for such station; and (iii) the failure by Host to extend Host Station’s coverage over San Jose shall not be a material breach.

Term: The term of the CSA shall be in perpetuity.

Termination: The CSA may be terminated at any time by mutual written consent; due to a material breach by the other party; or for any reason upon ninety days’ written notice provided within one year of the CP Grant Date (a “Termination for Convenience”). If Sharee terminates the CSA for convenience, then Host shall refund to Sharee within six months of termination date: (i) the Sharing Fee, less (ii) a sharing fee of [REDACTED] each month of shared operations following the Commencement Date, less (iii) a [REDACTED] breakup fee. If Host terminates the CSA for convenience, then Host shall refund to Sharee within six months of the termination date: (i) the Sharing Fee, plus (ii) [REDACTED] breakup fee, less (iii) a sharing fee of [REDACTED] for each month of shared operations following the Commencement Date. In the event that Host and Sharee provide notice of termination on the same day, Sharee’s notice shall prevail.

Equipment Options: In the event of a loss of FCC license or a material breach (to be defined) by either party, the CSA shall be terminated. If the CSA is terminated due to a loss of Sharee Station’s license or a material breach by Sharee, Host may, to the extent permissible under the FCC’s rules, utilize the portion of the spectrum allocated to Sharee under the CSA and seek to modify Host Station’s license to modify its shared status. If the CSA is terminated due to a loss of Host Station’s license or a material breach by Host, Host shall use commercially reasonable efforts to preserve Sharee Station’s ability to continue broadcasting using the shared channel, including providing Sharee with the right to use any shared equipment consistent with Host’s agreements with any other stations to share the Shared Channel.

Exclusivity Period: In consideration for the significant time and expense that both parties expect to incur in connection the preparation and development of the long-form CSA and related diligence and preparatory matters, during the period commencing on the date the Term Sheet has been executed by both parties and ending on the

have the right, to the extent reasonably practicable, to monitor in real time and audit the Shared Channel's encoding system to ensure compliance.

Compensation: MTP shall pay PMC [REDACTED] (the "Sharing Fee") as follows: (i) [REDACTED] (the "CSA Deposit") upon execution of this Term Sheet and (ii) the remainder deposited into an escrow account the same day MTP files its application for a construction permit to channel share, to be released when the FCC grants a construction permit for Sharee Station to channel share with Host Station (the "CP Grant Date").

Commencement: The Commencement Date shall be seven days after the FCC grants its approval to the CSA and that grant becomes final.

Shared Operation: Each party's chief engineer and one or more other employees with appropriate organizational authority and operating or technical expertise shall meet and confer in good faith for developing a formal plan to address technical planning considerations and ongoing operational matters of a Shared Operating Plan which shall ~

- Reflect technical discussions between the parties as may be required to coordinate the transition of Second Station's existing operations from its pre-Incentive Auction channel to the Shared Channel;
- Include allocation of costs between the parties of any necessary operating, equipment or other capital expenditures necessary to initiate and maintain channel sharing under a presumption that each party shall pay a pro rata share of such expenditures in proportion to its percentage of the total available bandwidth on the Shared Channel; provided that the maximum operating cost payable by MTP shall be no greater than [REDACTED] for the first year following the Commencement Date.

Sharee shall provide any equipment necessary for Sharee Station to channel share on the Shared Channel and shall be solely responsible for delivering its signal to the control point designated by Host.

Transmitter Site Lease: Host shall comply with the Site Lease and shall not undertake any act or omission that would be reasonably likely to constitute a breach or default giving rise to a right of termination thereunder;

Host shall use commercially reasonable efforts to extend Host Station's coverage over San Jose (through a DTS, translator, or otherwise) within the next twenty-four (24) months (a "Facility

close of business on the date fourteen (14) days following such date (the "Exclusivity Period"), neither party will, or will cause its employees, officers, agents and representatives to, directly or indirectly, (i) enter into any channel sharing arrangement with any other party that would be inconsistent with the CSA described herein, or (ii) encourage, solicit, provide information to, or negotiate or cooperate in any way with, any other party to do so. This Term Sheet shall automatically expire and be of no further force and effect upon the earlier to occur of (i) the execution of the definitive, long-form CSA by all parties thereto or (ii) the expiration of the Exclusivity Period. If this Term Sheet expires prior to the execution of the definitive, long-form CSA, PMC shall be entitled to retain the CSA Deposit.

Nature of Term Sheet:

Except for the CSA Deposit and the Exclusivity Period, this Term Sheet is otherwise non-binding and does not constitute an offer, agreement or other commitment of either party to enter into the CSA or to continue to negotiate in respect of the CSA. The binding provisions of this Term Sheet contain the complete agreement between the parties with respect to the subject matter of such provisions and supersede any prior understandings, agreement or representation by or between the parties, written or oral, which may have related to the subject matter of the binding provisions. This Term Sheet may be executed in multiple counterparts and by email transmitted signature pages.

Agreed: January 22, 2018

Poquito Mas Communications LLC

By: 

Name: Randy E. Nonberg

Title: Manager

Minority Television Project, Inc.

By: 

Name: B. T. Wade Jr.

Title: General Manager